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American Banker

THRIFT RANKINGS — TABLE ON PAGE 26

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STATISTICAL REFERENCE INDEX
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TODAY

REP. FERNAND ST GERMAIN, D-R.I. and chairman of the House Banking Committee, said that solving the problems of the Federal Savings and Loan Insurance Corp. will be his top priority when the 100th Congress convenes next year..... 2

BANKERS AND CORPORATIONS are going to be asked to comment on up to six proposals affecting the processing of wire transfers, automated clearing house transactions, and checks, a Fed official says..... 2

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THE INTERNAL REVENUE SERVICE will send letters to more than 23,000 financial institutions informing them of possible taxpayer identification violations..... 2

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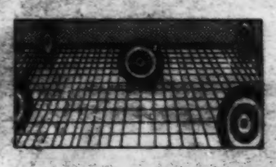

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THE SAN FRANCISCO INVESTMENT team of Warren Hellman and Tully Friedman seeks equity stakes in the deals and startups it arranges..... 32

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We are no longer going to legislate just for the institutions . . . . Our No. 1 concern is the consumer.

Rep. Fernand J. St Germain, D-R.I. and chairman of the House Banking Committee, in a speech to the convention of the U.S. League of Savings Institutions. [Page 2]

Unquote

Random Thoughts

By SANFORD ROSE

Second-quarter data on the performance of the nation's insured banks provide grounds for grave uneasiness. Loan chargeoffs are up, nonperformers are up, and interest margins are down.

The rise in chargeoffs is particularly worrisome. In the first quarter of this year banks wrote off loans equal to 13 basis points of the portfolio of loans and leases. In the second quarter, writeoffs reached an astounding 35 basis points.

Since banks tend to husband their chargeoffs until yearend, the fact that they nearly tripled writedowns may foreshadow a veritable bloodletting by the fourth quarter.

Higher loss provisions and more nonperformers helped reduce the return on assets of the universe of insured banks. Additionally, the net interest margin dipped. In part, this is of course due to the impact of a rising burden of nonaccruals on gross asset yields. It may also be because the relative inflexibility of consumer deposit rates at many banks is causing asset yields to drop by slightly more than liability

Random Thoughts: Page 4

Top Five Thrift Holding Companies

Assets in Billions of Dollars on Dec. 31, 1985

Nondiversified

1. Citicorp	$173.6
2. Financial Corp. of America	27.4
3. H.F. Ahmanson & Co.	27.3
4. Great Western Financial Corp.	25.5
5. CalFed, Inc.	19.0

Diversified

1. Sears Roebuck & Co.	$66.4
2. Ford Motor Co.	31.6
3. Household International, Inc.	11.9
4. American Financial Corp.	7.1
5. Gulf & Western Inc.	4.5

Ford Is Third Largest Thrift Company

Six Other Newly Formed Firms Break into Top 50 List

By L. MICHAEL CACACE

NEW YORK — The Ford Motor Co., the nation's second largest producer of automobiles, is now the third largest thrift holding company in the country, behind Citicorp and Sears, Roebuck and Co. In addition to Ford, six other recently formed thrift holding companies joined the ranks of the top 50 thrift holding companies at yearend 1985.

These changes in the top 50 thrift firms reflect the dynamic changes under way in the industry. As reported in Monday's *American Banker,* three out of every four thrift holding companies in the United States today began operating after Dec. 31, 1981.

The surge in the formation of thrift holding companies during the past five years mainly reflects the industry's need for capital. This need was attrib-

Thrift Companies: Page 27

BankAmerica To Pare Down Foreign Assets

Cooper Says Ailing Bank To Sell Italian Operation

By JOHN J. DUFFY
London Bureau

LONDON — Bank of America plans to dispose of its overseas retail banking operations as part of its effort to boost primary capital by between $750 million and $1 billion, the bank's president said here Monday.

Investment Bankers in San Francisco
Who Prefer Equity Stake
Page 32

"We will deemphasize our international retail banking activities overall, and, over time, exit most of the nondomestic markets where we have conducted consumer banking business," Thomas A. Cooper said in a speech to an international retail banking conference. Mr. Cooper is president and chief operating officer of Bank of America and president of its holding company, BankAmerica Corp.

Thomas A. Cooper

Mr. Cooper confirmed months of speculation that the bank's profitable Italian subsidiary, Banca d'America e d'Italia, is up for sale, and he strongly implied that other subsidiaries, such as the West German unit, the 32-branch Bankhaus Centrale Credit AG, might also be sold soon. Banca d'America e d'Italia has 98 branches, $4 billion in assets, and $3 billion in deposits.

BankAmerica: Page 31

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IN THE NEWS

Sexton Resigns in Texas

AUSTIN — James L. Sexton, commissioner of banking in Texas, resigned Monday to join a Houston-based law firm, Bracewell & Patterson. Mr. Sexton, who had been commissioner for about three years, steered the banking industry through some of its most difficult times in recent memory. His resignation follows the recent passage of an interstate banking law in Texas and a constitutional amendment permitting branch banking.

Lloyds Deal Final

LONDON — Lloyds Bank PLC completed its $200 million (U.S.) agreement to acquire 90% of the assets of Toronto-based Continental Bank of Canada. Continental was absorbed into Lloyds Bank Canada. The new bank has assets of $6.5 billion (Canadian).

Regulatory Realignments

LITTLE ROCK, Ark. — As part of an agreement with regulators to restore capital and improve earnings, Savers Federal Savings & Loan Assn. said its chief executive officer and chairman, W.P. Gulley, will retire next year. A replacement has not been named. Savers, the largest thrift in Arkansas, signed the agreement with the Federal Home Loan Bank Board after it posted third-quarter losses of $22.5 million and its capital fell below regulatory levels of $21 million. The plan also calls for Savers to be sold to Little Rock businessman Melvyn Bell for no more than $20 million... Anchorage-based Alaska National Bank of the North signed an agreement with the Comptroller of the Currency to restore profitability and to improve its capital ratio. The bank, which posted a net loss of $5.3 million in the nine months to Sept. 30, will be required to keep a capital-to-assets ratio of 6.5% until June 1987, and 7% beyond that date. The bank is suffering from nonperforming real estate loans.

Trade Penalty Levied

WASHINGTON — The Commerce Dept said Gulf International Bank, B.S.C., a federally chartered New York City branch of a Bahrainian bank, agreed to pay a penalty of $10,000 for an alleged violation of the antiboycott provisions of the Export Administration Act. The bank allegedly failed to report requests that it refrain from helping to finance sale of goods from South Africa or Israel. The act requires refusal to honor boycott requests and prompt reporting of such requests.

Puerto Rican S&L Settles

BAYAMON, P.R. — Bayamon Federal Savings & Loan Assn. said it will receive over $9.6 million as settlement for a 1985 lawsuit it filed in U.S. District Court against several securities firms. Bayamon had filed for $50 million in damages, alleging that the defendants engaged in "unauthorized, speculative activities" with two former Bayamon officers.

— Compiled by Don Munro

Stockholder Jitters About Freddie Mac's Future Are Partly to Blame for Tumble in Stock Price

By JIM McTAGUE
Washington Bureau

WASHINGTON — A preferred stockholder of Freddie Mac tells a reporter one day that he isn't worried about the possibility of that quasi-governmental corporation severing ties with Uncle Sam and going it alone as a private enterprise.

Mortgage Securities

The next day, Oct. 31, the stockholder dumps all his shares, citing uncertainty about the future of Freddie Mac, the Federal Home Loan Mortgage Corp. A small run on the stock ensues.

Recently, Freddie Mac preferred has gone into a slide, despite the mounds of adulation heaped on it by Wall Street analysts, some of whom say the security is actually worth $100 to $250 per share. It closed Friday at $59¾.

The stock has tumbled more than seven points since the middle of September, when it reached a record high of $66¾. In the past two weeks alone, it retreated nearly $3 a share. The stock currently may be owned by only savings and loan associations and market makers, which buy and sell stocks for their own accounts to maintain a balanced market.

Freddie Mac spokesmen contend that most of the selling is tax related. Several big investors, they claim, are racing to lock in big gains while they still can get favorable treatment under the existing tax code, which expires Dec. 31. The stock, boosted by strong earnings and a tax-advantaged dividend of about $4, originally was issued in 1984 at $40.

However, the Freddie Mac spokesmen also admit that some stockholders are worried about the prospects for their investment if Congress should decide to throw all or part of the second-

Major Freddie Mac Shareholders
Page 22

ary mortgage company to the private sector in order to level the playing field that Freddie Mac now dominates.

It was that kind of nervousness that, according to Freddie Mac, triggered the Halloween selloff. "Some of the stockholders are unsophisticated investors, and they are easily spooked," one spokesman says.

Freddie Mac: Page 22 ➡

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Privatization Talk Giving Some Freddie Mac Stockholders Jitters

Continued from Page 3

"The guy who got scared was crazy for selling," says Maurice Mann, the chairman of the influential Freddie Mac advisory committee, which is trying to determine for the Bank Board whether privatization is feasible. Mr. Mann is also vice chairman of Merrill Lynch Capital Markets, whose parent company, Merrill Lynch & Co., as a market maker for Freddie Mac owns about 95,500 shares of its preferred stock.

Mr. Mann, who says he believes the government should be out of the mortgage business, explains: "These things don't happen overnight — particularly now when we have a Democratic Senate."

Congress watchers claim the Democrats are not particularly motivated to fiddle with agencies that have worked so well.

"I have the feeling it will be a long time before any real movement occurs toward substantial change in either agency," says Gerald Levy, the outgoing chairman of the U.S. League of Savings Institutions, an organization that is pushing for some narrowing of the role of Freddie Mac in the secondary mortgage market.

The advisory committee, which is composed of 46 industry officials appointed by the Bank Board, expects to issue recommendations for the future course of Freddie Mac in February.

A preliminary report issued in October by a committee-appointed task force, also chaired by Mr. Mann, recommended splitting Freddie Mac into two entities: one completely cut off from the government that would function as a private mortgage conduit, and a smaller operation within the government that would target mortgage credit to low-income home buyers.

The plan was thought to satisfy both those who want the agency dismantled and those who want a continued government role in mortgage funding.

Mr. Mann says the study group now is trying to determine whether the plan is both possible and practical.

Most industry people argue the scheme won't fly unless Freddie Mac's cousin and chief competitor, the Federal National Mortgage Association — Fannie Mae — also is cut off from Uncle Sam's credit rating, a relationship that allows it to raise funds on Wall Street at low, agency rates.

Fannie Mae's current leadership, which is calling for increased government participation in housing, is unlikely to go along.

The advisory group's activities provoked stockholder skittishness from the very start.

"For the moment, we intend to hold the stock," Mr. Eppinger adds. "[But] I wish they [the analysts] would give us more definitive answers."

Nearly 3,400 thrifts own shares in the corporation. The top 20 shareholders as of Sept. 26 owned between 301,594 and 95,517 shares (see table), and seven of those contacted for this story said they had no intention of selling the stock, despite unrealized gains, because they felt it was a good long-term investment.

Freddie Mac's Top 20 Shareholders*

	Shares
American Savings, Stockton, Calif.	301,594
Great Western Savings, Beverly Hills, Calif.	224,353
Thomson McKinnon Securities, New York	206,420
Goldman, Sachs & Co., New York	202,248
First Federal Savings Bank, Cleveland	176,500
Citicorp Savings, San Francisco	150,000
Albuquerque Federal Savings, Albuquerque, N.M.	150,000
Main Line Federal Savings, Villanova, Pa.	150,000
Mutual Savings, Pasadena, Calif.	150,000
First Federal of Michigan, Detroit	145,292
California Federal, Los Angeles	145,092
Western Federal Savings Bank, Denver	140,000
Imperial Savings, San Diego	140,000
World Savings, Oakland, Calif.	125,849
First Nationwide, San Francisco	122,981
Western Federal, Marina Del Ray, Calif.	118,901
Commercial Federal, Omaha, Neb.	113,599
Security Savings, Milwaukee	107,633
Home Savings of America, Irwindale, Calif.	100,000
Glendale Federal Savings, Glendale, Calif.	98,404

NYSE symbol: FHLMC
52-week range: 66¼-37
Dividend: $4.25
Price/earnings: 7.1
Shares: 14.99 million

* As of Sept. 26
Sources: Freddie Mac and Goldman Sachs

"We had 50 or 60 calls from investors when the first articles appeared about possible privatization. We expected it," says an employee of the Freddie Mac investor relations department.

Also, several stockholders have been confused by caveats contained in otherwise glowing reports on Freddie by three different brokerage houses.

"I've had difficulty following all the advice they've been giving us," laments John Eppinger, the president and managing officer of Main Line Federal Savings, Villanova, Pa., which owns 150,000 shares.

Freddie Mac was created by Congress in 1970 to foster the growth of a residential secondary mortgage market. The corporation buys mortgages from lenders — primarily savings and loans — and sells mortgage-backed securities to investors, guaranteeing them in the process.

It was capitalized initially for $100 million by the 12 Federal Home Loan Banks, the central banks for the na-

Freddie Mac: Page 23

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Talk of Taking Freddie Mac Private Contributes to Fall in Stock Price

Continued from Page 22

tion's thrifts, which in turn are supervised by the three-member Federal Home Loan Bank Board. The Bank Board members also serve as Freddie Mac's board of directors.

In December 1984, the Freddie Mac board decided to transfer the corporation's appreciated value to the savings and loan industry, resulting in the issuance of the preferred stock.

Critics in the thrift industry contend that Freddie Mac and other government-created mortgage conduits have done their job too well, driving private mortgage conduits out of the market as well as offering fixed-rate mortgages at prices so low that it is hurting big California thrifts that want to originate adjustable-rate loans.

A recent study by the staff of the Board of Governors of the Federal Reserve System substantiated several of these complaints. Researchers found that private residential pass-through issuance totaled $5 billion in 1985, compared with $108 billion guaranteed by Freddie Mac, Fannie Mae, and the Government National Mortgage Association — known as Ginnie Mae.

A prime reason, according to the study, is that "investors are willing to accept lower yields on agency securities because they believe it unlikely that the federal government would permit a sponsored agency to default."

Critics contend that the agency's access to cheap financing amounts to a government subsidy that results in a 50-basis-point market advantage to underwriters offering conforming loans.

The same study said that the private sector had a large role in its own undoing. The 1985 default of Equity Programs Investment Corp. and the $95 million loss by Bank of America stemming from its role as trustee and escrow agent for pools of privately-insured mortgage loans "worked against prospective private issuers," the report noted.

Freddie Mac and Fannie Mae now handle about 52% of all mortgages originated in the country, according to Dennis Jacobe, an economist with the U.S. League of Savings Institutions, the nation's largest savings and loan trade organization. Those mortgages can be as high as $133,250, and the league expects the maximum, which is pegged to an index of housing prices, might top $150,000 in January, further diminishing the market share of nonconforming issuers.

The Reagan administration, which philosophically favors reducing government involvement in the marketplace, had proposed charging Freddie and Fannie fees to bring their costs in line with private issuers. Congress, in an election year, balked at the proposal, however, which would have resulted in higher mortgage rates for its constituents.

Freddie Mac critics then focused their attention on the Bank Board and the advisory council.

Mr. Mann says the impetus for the study came "from all kinds of people."

"Obviously, the biggest mouths were S&Ls who want to be portfolio lenders," he says.

Portfolio lenders want to originate adjustable-rate loans and keep them for profit. They claim their market shrinks dramatically every time Freddie Mac and Fannie Mae raise the maximum dollar amounts on mortgages that they are willing to guarantee.

Most stockholders seem to want the best of both worlds — wider distribution of Freddie Mac stock without severing the corporation's Bank Board connection, which enables it to float debt at government agency rates. If the Bank Board adopted this plan, Freddie Mac would be exactly like Fannie Mae, whose shares are traded freely on the New York Stock Exchange.

Robert Hottensen Jr., an analyst with Goldman, Sachs & Co., predicted in a research report last month that wider distribution of Freddie Mac stock might cause it to soar to $250 per share and "the enhanced value would provide many thrifts with an entire year's worth of earnings."

Mr. Hottensen's optimistic prediction fired the imaginations of many stockholders. It has special appeal now because the Bank Board is requiring thrifts to raise their capital levels.

"The security should be allowed to reach its zenith," says William Shuett, president and chief executive officer for the Security Savings and Loan Association, Milwaukee, which owns about 107,630 shares. "It would be an instant and effortless enhancement of the balance sheets of the nation's S&Ls."

"I'm a stockholder, and I want a maximum return," says Norman Coulson, the president of the Glendale Federal Savings and Loan Association, Glendale, Calif., which owns about 98,400 shares of the preferred stock.

"If we go private and maintain the government backing, we'd be just like Fannie Mae. Then the question is, do we need two such agencies?" Mr. Coulson says.

Mr. Mann says he doesn't like this halfway approach to privatization because he sees it giving stockholders the unfair advantage of an implicit federal guarantee for their company.

The analysts warn, however, that a complete break with the government would create worries about the value of Freddie Mac stock. It is this prospect that bothers investors most.

"Depending on how they do it, they could screw up the value of the stock," agrees Bud Koch, the president of the First Federal Savings Bank, Cleveland, owner of 175,000 shares.

"Obviously, we're concerned," Mr. Koch adds. "But if we were very concerned, we wouldn't be such a large stockholder."

Mr. Koch says his company intends to hold the stock as an investment because "we think it has almost zilch downside risk because of the big dividend it pays."

Based on the record amounts of business by Freddie Mac this year, one might assume that the majority of savings and loans are happy with Freddie Mac just the way it is. One of the satisfied customers is the Western Federal Savings and Loan Association, Marina Del Rey, Calif. Its president, Robert Thompson, is "not much for Freddie Mac going private."

"I don't see any advantage. Freddie was formed to help S&Ls, and it has done the job," Mr. Thompson says. "If it ain't broke, don't fix it.

"I think over a period of years, we'd make more money on a deal basis with Freddie Mac the way it is than we would if the stock tripled," adds Mr. Thompson, whose institution owns 118,901 shares. ■

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Top 50 Thrift Holding Companies

Listed in Order of Their Total Assets on December 31, 1985

Compiled by American Banker Copyright 1986

Rank 12/85	Holding Company and its Type (a) / Savings Institution Subsidiary (b)	Total Holding Company Assets 12/31/85	12/31/84	Rank 12/84	Gain in Rank	Thrift Deposits Controlled 12/31/85	12/31/84	1985 Net Income Parent Company	Subsidiary	Savings Institutions Controlled
1	**Citicorp, New York (N,c)** Citicorp Savings of Illinois, FS&LA, Chicago	173,597,000,000	150,586,000,000	1		8,433,000,000	8,475,000,000	998,000,000	N.A.	3
2	**Sears Roebuck & Co., Chicago (D)** Sears Savings Bank, Glendale, Calif.	66,416,900,000	57,072,500,000	2		4,944,112,000	4,584,700,000	1,303,300,000	24,200,000	1
3	**Ford Motor Co., Dearborn, Mich. (D,d)** First Nationwide Bank, FSB, San Francisco	31,603,600,000	.....	...		8,797,922,000	.....	2,514,400,000	70,617,000	1
4	**Financial Corp. of America, Irvine, Calif. (N)** American Savings & Loan Assn., Stockton	27,374,935,000	28,518,401,000	3		17,405,425,000	20,326,639,000	9,538,000	N.A.	1
5	**H.F. Ahmanson & Co., Los Angeles (N)** Home Savings of America, FA, Irwindale, Calif.	27,228,612,000	24,307,412,000	4		19,422,004,000	18,544,525,000	220,827,000	226,643,000	1
6	**Great Western Financial Corp., Beverly Hills (N)** Great Western Savings, FS&LA, Beverly Hills	25,471,349,000	23,554,602,000	5		17,593,910,000	16,930,924,000	201,702,000	203,857,000	1
7	**CalFed, Inc., Los Angeles (N,e)** California Federal Savings & Loan Assn., Los Angeles	19,004,600,000	17,698,588,000	6		13,135,000,000	14,283,599,000	134,700,000	119,300,000	2
8	**GlenFed, Inc., Glendale, Calif. (N,†)** Glendale Federal Savings & Loan Assn.	16,387,444,000	.....	...		11,660,817,000	.....	572,000	75,862,000	1
9	**Golden West Financial Corp., Oakland, Calif. (N)** World Savings & Loan Assn., Oakland	12,129,556,000	10,619,724,000	8		7,598,792,000	7,461,163,000	160,041,000	159,375,000	1
10	**Household International, Inc., Prospect Heights, Ill. (D)** Household Bank FSB, Westminster, Calif.	11,928,500,000	10,041,000,000	9		1,376,000,000	587,300,000	167,900,000	9,900,000	1
11	**Gibraltar Financial Corp., Beverly Hills (N,f)** Gibraltar Savings, FS&LA, Beverly Hills	9,862,209,000	9,272,722,000	11		6,400,521,000	6,528,373,000	38,853,000	41,497,000	2
12	**First Texas Financial Corp., Dallas (N,g)** Gibraltar Savings Assn., Houston	8,276,354,000	7,210,445,000	15	+3	5,619,070,000	5,552,594,000	61,834,000	61,834,000	2
13	**CityFed Financial Corp., Becminster, N.J. (N,h)** City Federal Savings Bank, Elizabeth, N.J.	8,234,216,000	7,594,563,000	14	+1	6,280,536,000	6,165,801,000	62,110,000	60,412,000	1
14	**Imperial Corp. of America, San Diego, Calif. (N,i)** Imperial Savings Assn., San Diego	8,046,970,000	8,464,977,000	12		6,075,229,000	5,726,084,000	(16,450,000)	N.A.	2
15	**American Financial Corp., Cincinnati (D)** Hunter Savings Assn., Cincinnati	7,100,000,000	5,101,635,000	16	+1	707,000,000	455,916,000	(23,100,000)	7,906,000	1
16	**United Financial Group, Inc., Houston (N,j)** United Savings Assn., Houston	4,989,028,000	3,633,138,000	19	+3	2,826,636,000	2,285,522,000	(3,148,000)	1,205,000	1
17	**Homestead Financial Corp., Burlingame, Calif. (N)** Homestead Savings, FS&LA, San Francisco	4,692,446,000	3,038,143,000	22	+5	2,348,822,000	2,228,524,000	15,093,000	14,291,000	1
18	**Gulf & Western Inc., New York (D,k)** Associates Fed. Savings & Loan Assn., San Ramon, Calif.	4,524,400,000	4,148,600,000	13		19,566,000	11,468,000	129,600,000	N.A.	1
19	**People's Bank, Bridgeport, Conn. (N)** Guardian Federal Savings & Loan Assn., Bridgeport	4,231,883,000	3,963,862,000	18		3,846,908,000	3,445,254,000	33,145,000	.....	1
20	**American Continental Corp., Phoenix, Ariz. (N)** Lincoln Savings & Loan Assn., Irvine, Calif.	4,114,907,000	3,301,916,000	20		2,406,958,000	1,679,651,000	42,542,000	79,850,000	1
21	**Old Stone Corp., Providence, R.I. (N,l)** Old Stone Bank FSB, Providence	3,704,633,000	2,625,081,000	27	+6	2,611,215,000	2,127,608,000	21,883,000	19,623,000	3
22	**Pacific First Financial Corp., Tacoma, Wash. (N)** Pacific First Federal Savings Bank, Tacoma	3,359,893,000	.....	...		1,886,036,000	.....	(6,726,000)	(6,797,000)	1
23	**American Capital Corp., Miami (N,m)** Transohio Savings Bank, FSB, Cleveland	3,289,461,000	2,823,068,000	26	+3	2,520,068,000	2,245,755,000	6,991,000	13,085,000	1
24	**Citadel Holding Corp., Glendale, Calif. (N)** Fidelity Federal Savings & Loan Assn., Glendale	3,139,993,000	2,844,579,000	24		2,186,902,000	1,926,143,000	26,044,000	N.A.	1
25	**Financial Corp. of Santa Barbara, Calif. (N)** Santa Barbara Savings & Loan Assn.	3,133,211,000	2,912,329,000	23		2,058,690,000	2,094,538,000	3,085,000	2,730,000	1
26	**Western Capital Investment Corp., Denver (N)** Bank Western Federal Savings Bank, Denver	3,029,419,000	3,117,671,000	21		2,338,458,000	2,320,717,000	17,684,000	24,716,000	1
27	**Southmark Holding Co., Bellaire, Tex. (N,n)** San Jacinto Savings Assn., Houston	2,894,751,000	2,064,244,294	31	+4	1,839,564,000	1,127,146,826	24,437,000	25,605,000	1
28	**Commercial Federal Corp., Omaha, Neb. (N)** Commercial Federal Savings & Loan Assn. Omaha	2,874,891,000	2,498,884,000	29	+1	1,542,177,000	1,312,940,000	12,802,000	3,480,000	1
29	**Guarantee Financial Corp. of California, Fresno (N)** Guarantee Savings, FS&LA, Fresno	2,860,229,000	2,843,300,000	25		1,960,434,000	1,918,828,000	14,131,000	15,209,000	1
30	**First Columbia Financial Corp., Denver (N,o)** Columbia Savings, FS&LA, Denver	2,444,381,000	2,499,042,000	28		1,795,826,000	1,893,175,000	(5,806,000)	(4,697,000)	1
31	**Far West Financial Corp., Newport Beach, Calif. (N)** Far West Savings & Loan Assn., Newport Beach	2,425,985,000	2,050,255,000	32	+1	1,731,537,000	1,342,157,000	16,054,000	16,002,000	1
32	**Heron Financial Corp., Tucson, Ariz. (N,p)** Pima Savings & Loan Assn., Tucson	2,326,905,000	1,793,597,000	36	+4	1,435,447,000	1,074,184,000	18,437,000	15,013,000	1
33	**Security Capital Corp., New York (N)** Benjamin Franklin Savings Assn., Houston	2,228,948,000	1,895,540,243	35	+2	1,523,059,000	1,477,091,460	4,272,000	7,469,000	1
34	**Broadview Financial Corp., Cleveland (N)** Broadview Savings & Loan Co., Cleveland	2,101,388,000	2,088,284,000	30		1,673,798,000	1,591,730,000	(28,546,000)	(24,240,000)	1
35	**Fortune Financial Group, Inc., Clearwater, Fla. (D)** Fortune Federal Savings & Loan Assn., Clearwater	2,038,535,000	2,041,361,000	33		1,314,956,000	1,274,015,000	9,841,000	9,759,701	1
36	**Citizens Savings Financial Corp., Miami (N)** Citizens Federal Savings & Loan Assn., Miami	2,009,407,727	1,906,676,000	34		1,363,983,406	1,314,568,000	6,772,720	7,869,063	1
37	**AmeriWest Financial Corp., Albuquerque, N.M. (N)** Albuquerque Federal Savings & Loan Assn.	1,933,438,000	1,411,028,000	41	+4	1,253,717,000	1,095,213,921	(866,762)	6,275,000	1
38	**Citizens Financial Group, Inc., Providence, R.I. (N,q)** Citizens Savings Bank FSB, Providence	1,865,165,000	.....	...		1,001,378,000	.....	15,706,000	20,669,000	1
39	**First Financial Corp., Stevens Point, Wis. (N)** First Financial Savings Assn., Stevens Point	1,853,710,000	.....	...		1,620,535,000	.....	(12,586,000)	(12,620,000)	1
40	**Diamond Financial Holdings Inc., Toledo, Ohio (N,r)** Diamond Savings & Loan Co., Findlay	1,852,000,000	1,605,000,000	37		969,000,000	909,000,000	(1,899,000)	(119,000)	1
41	**Puget Sound Bancorp, Tacoma, Wash. (N,s)** Savings Bank of Puget Sound, Seattle	1,714,334,000	.....	...		.....	.....	20,443,000	.....	1
42	**Metropolitan Financial Corp., Fargo, N.D. (N,s,t)** Metropolitan Federal Bank FSB, Fargo	1,669,571,000	.....	...		1,116,509,000	.....	10,320,000	10,339,000	2
43	**Landmark Land Co., Inc., Carmel, Calif. (N,u)** Dixie Savings & Loan Assn., New Orleans, La.	1,653,272,000	1,219,000,000	42		926,525,000	815,000,000	15,294,000	N.A.	1
44	**Peoples Federal Bancshares, Inc., Salina, Kan. (N)** Peoples Heritage Federal Savings & Loan Assn., Salina	1,543,082,000	N.A.	...		926,525,000	N.A.	33,230,000	33,458,000	1
45	**Ohio Savings Financial Corp., Cleveland (N)** Ohio Savings Bank, Cleveland	1,440,531,639	1,498,214,895	39		1,299,389,335	1,316,611,125	10,592,348	11,839,752	1
46	**Buckeye Financial Corp., Columbus, Ohio (N)** Buckeye Federal Savings & Loan Assn., Columbus	1,294,062,000	1,196,248,000	43		950,574,000	906,602,000	(2,080,000)	(2,390,000)	1
47	**Nafco Financial Group, Inc., Naples, Fla. (N)** Naples Federal Savings & Loan Assn.	1,242,933,000	1,096,230,000	44		969,186,000	830,426,000	364,000	489,000	1
48	**Amoskeag Bank Shares, Inc., Manchester, N.H. (N,s)** Amoskeag Savings Bank, Manchester	1,237,255,000	921,061,821	47		619,136,975	527,086,220	13,829,000	10,597,909	1
49	**The One Bancorp, Portland, Me. (N,s)** Maine Savings Bank, Portland	1,100,242,000	963,762,000	46		924,544,000	840,586,000	11,845,000	10,072,000	1
50	**First Western Financial Corp., Las Vegas, Nev. (N)** First Western Savings Assn., Las Vegas	1,059,602,000	1,049,767,000	45		880,627,000	861,865,000	7,630,000	8,027,000	1

Thrift Holding Company is a company controlling an insured savings and loan or savings bank. Control is defined as owning, controlling, holding with power to vote, or having control of proxies representing more than 25% of the voting shares of an insured insitution. Direct control means that there is only one holding company in the organizational structure of the company. Indirect control means that the holding company at the apex of the organization controls the thrift institution through one or more other holding companies. **Total Assets** are consolidated assets for the parent company and all its subsidiaries, whenever possible. However, some holding companies do not report consolidated assets including their thrift subsidiaries. Some indirect holding companies, for example, have established financial services holding companies, which are the direct parent of the thrift subsidiary. In these cases, the assets for the financial services holding companies are used, whenever possible. **Thrift Deposits Controlled** are the total deposits of holding company's thrift subsidiary. For multiple thrift holding companies, coimbined total deposits for all of these subsidiaries are used, whenever possible. **Net Income:** income after taxes and loan loss provisions, but before extraordinary items is used. If a company has more than one thrift subsidiary, the combined net income for all of these institutions is used, whenever possible. **(a) — Types: D—Diversified, N—Non-Diversified. A diversified thrift holding company** is a unitary holding company whose subsidiary insured institution and related activities constitute less than 50% of its consolidated net worth. **A nondiversified thrift holding company** may be a unitary or multiple holding company. The operations of a nondiversified holding company are focused within the thrift industry and related activities. **(b)** — If a holding company owns more than one savings institution, as indicated in the last column, the name of the largest institution is reported below the name of the company. **(c)** — Also owns Citicorp Savings, FS& LA, San Francisco, and Citicorp Savings of Florida, FS& LA, Miami. **(d)** — Ford Motor Co. acquired First Nationwide Savings from National Intergroup, Inc., Pittsburgh, in August, 1985, for $493 million. **(e)** — Also owns California Thrift & Loan. **(f)** — Also owns Gibraltar Savings of Washington FA, Seattle. **(g)** — Also owns First Texas Savings Association, Dallas. FHLBB lists head office of the company as Wilmington, Del. **(h)** — FHLBB lists head office of the company as Palm Beach, Fla. **(i)** —Also owns American Savings Association of Kansas, Wichita. **(j)** — FHLBB lists top holding company as MCO Holdings Federated Development Co., Houston. **(k)** — Asset data are for fiscal year ending July 31 for the company and its significant majority-owned affiliates other than its finance subsidiary, Associates First Capital Corp. Associates First Capital Corp. is the immediate parent of its thrift. **(l)** — Also owns Old Stone Savings & Loan, High Point, N.C. and Old Stone Bank of Washington FSB. The FHLBB did not list Old Stone Savings & Loan, High Point, N.C., as a thrift controlled by Old Stone Corp. **(m)** — FHLBB lists top holding company as FGI Voting Trust, Miami. **(n)** — Net income figures are for the six months ended 12/31/85. Also, FHLBB lists top parent company as South Mark Corp., Dallas. **(o)** — FHLBB lists head office as Englewood. **(p)** — FHLBB lists top parent company as Heron International N.V., London. **(q)** — Company began operations 6/19/85. Net income is from that date to yearend 1985. **(r)** — FHLBB lists top parent as Dana Corp., Toledo. **(s)** — Company was not on FHLBB list of active thrift holding companies. **(t)** — Also owns Metropolitan Federal Savings Bank of Moorhead. **(u)** — FHLBB lists top holding company as Landmark Subco, Inc., Wilmington, Del. **(†)** — Data are for the fiscal year ending 6/30/86. **( )** — Indicates a net loss. **(N.A.)** — Not available.

Seven New Thrift Companies Join Top 50 List

Continued from Page 1

utable primarily to the period of unprofitability in the industry during the early 1980s.

To obtain the needed capital, many thrifts converted from the mutual form of ownership to stock ownership. As part of this conversion, most of these thrifts formed holding companies.

These are some of the findings of the *American Banker's* annual survey of the 50 largest thrift holding companies published today. On Monday, a listing gleaned from various data sources of the Federal Home Loan Bank Board identified all active thrift holding companies in the nation.

Ford Motor Co. became a thrift holding company in August 1985, when it acquired the First Nationwide Bank FSB, San Francisco, from National Intergroup Inc., Pittsburgh, for $493 million. First Nationwide is the nation's eighth largest thrift, with $9.7 billion in deposits as of June 30, 1986.

The largest of the six newly formed holding companies to rank among the top 50 is GlenFed Inc., Glendale, Calif. GlenFed, which began operation on Dec. 31, 1985, is the parent of the nation's sixth largest thrift, the $11.7 billion-deposit Glendale Federal Savings & Loan Association. GlenFed ranked seventh among thrift holding companies, with $19 billion in assets at yearend 1985.

The other five new holding companies are: the 22d-ranked Pacific First Financial Corp., Tacoma, Wash., parent of the Pacific First Federal Savings Bank; the 38th-ranked Citizens Financial Group Inc., Providence, R.I., parent of the Citizens Savings Bank FSB, also Providence; the 39th-ranked First Financial Corp., Stevens Point, Wis., parent of the First Financial Savings Association, Stevens Point; the 41st-ranked Puget Sound Bancorp, Tacoma, Wash., parent of the Savings Bank of Puget Sound, Seattle; and the 42d-ranked Metropolitan Financial Corp., Fargo, N.D., parent of the Metropolitan Federal Bank FSB, Fargo.

Citicorp, New York, the nation's largest banking firm, is also the largest thrift holding company, with $173.6 billion in assets on Dec. 31. Last year, Citicorp owned three thrifts, with combined deposits of $8.4 billion at yearend.

The three thrifts it owned are: Citicorp Savings of Illinois, Chicago, which ranked 31st among the top thrifts at midyear 1986, with $3.7 billion in deposits; Citicorp Savings, San Francisco, which ranked 45th, with $3.2 billion in deposits; and Citicorp Savings of Florida, Miami, the nation's 91st largest thrift, with $1.9 billion in deposits.

A nondiversified thrift holding company is one whose business activities are focused within the thrift industry and related activities, according to Federal Home Loan Bank Board definitions.

Sears, Roebuck and Co., Chicago, is the largest diversified holding company and second largest thrift holding company overall, with $66.4 billion in assets. Sears owns the nation's 18th largest thrift, the $5.1 billion-deposit Sears Savings Bank, Glendale, Calif.

A diversified thrift holding company is a unitary holding company whose insured subsidiary thrift and related activities constitute less than 50% of its consolidated net worth.

Other Survey Results

- Assets of the top 50 thrift holding companies were $540.5 billion on Dec. 31, 1985, up 17.2% from $461 billion for the top 50 firms a year earlier.
- The top 50 firms controlled 59 thrifts with $190.1 billion in deposits on Dec. 31, 1985. A year earlier, the top 50 firms controlled 58 thrifts with $184 billion in deposits.
- The top 50 companies controlled 20.3% of the entire thrift industry's deposits of $938 billion at yearend 1985. This ratio was unchanged from 1984.
- The top 50 firms consisted of 44 nondiversified companies with combined assets of $416.9 billion and six diversified companies with combined assets of $123.6 billion. A year earlier, the top 50 firms had 45 nondiversified companies with assets of $378.1 billion and five diversified companies with assets of $82.9 billion.
- The largest gain in rank was posted by the Old Stone Corp., Providence, R.I. Its assets rose 41% to $3.7 billion at yearend 1985 from $2.6 billion, to move up six places in rank to 21st position.

In October 1984, the Old Stone Bank, a commercial bank, converted into a federal savings bank. Old Stone Bank FSB is the nation's 73d largest thrift, with $2.1 billion in deposits at midyear. ■

SeaFirst Unit to Return Capital

SEATTLE — SeaFirst International, Seattle-First National Bank's Edge Act operation, has been granted Federal Reserve Board permission to return $10 million of capital to the SeaFirst Corp., a SeaFirst spokeswoman said. About $4 million of capital remains in the Edge Act subsidiary, according to a Fed filing.

The Edge Act activities are centered in Portland, Ore., where SeaFirst also has a loan-production office. "A lot of the business done in Portland is actually booked in Seattle," the spokeswoman said, adding that the Edge Act unit was overcapitalized as a result.

Of the withdrawal of capital, she said: "It was more of a cash-management thing than anything else." ■

Strategic Dates
Jan. 1, 1987

FDIC DISCLOSURE RULE: The Federal Deposit Insurance Corp.'s new rule, which will disclose disciplinary actions taken against the 8,850 banks it regulates, takes effect starting today. The action, which had been originally set to take effect last July, has been bitterly opposed by the banking industry. Under the rule, whenever the FDIC enters a final enforcement action against a bank, the agency will make the information available to the public almost immediately.

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This offering is made by the Student Loan Marketing Association with the assistance of a nationwide Selling Group of recognized dealers in securities.

Mitchell A. Johnson, Vice President, Corporate Finance
Michael S. Piemonte, Asst. Vice President, Capital Markets
Cynthia S. Cola, Director, Domestic Financing

For more details, contact the Fiscal Agency Department at 800-321-7179

Student Loan Marketing Association
1050 Thomas Jefferson Street, N.W., Washington, D.C. 20007

This announcement appears as a matter of record only

KBW

Pacwest Bancorp
Portland, Oregon

has been acquired by

KeyCorp
Albany, New York

The undersigned, in its capacity as financial advisor to Pacwest Bancorp, assisted in the negotiations leading to the consummation of this transaction.

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